point **b**.

Reorganize Your Business with the Future of Work in Mind

Stakeholders need to see the value of embracing something new, so challenge your reorg team to emphasize the value of the reorg and prioritize bringing stakeholders along on the journey.

By Jamie Robinson

Growth, innovation, mergers, and acquisitions are making reorganizations a common occurrence. [1] However, more than 80 percent of reorgs fail to deliver the expected value, and 60 percent of reorgs have a negative impact on productivity. [2] Reorganizations are complex and having the right perspective could mean the difference between reorganizing in response to an issue versus reorganizing to achieve Future of Work goals.

Protect your organization from many of the risks associated with reorganizing by adopting core Future of Work principles. Future of Work is a transformational mindset that reduces the risks associated with reorganizing and values organizational outcomes like flexibility, flow, and focus over status quo, functional silos, and ambiguous strategy execution.

When leveraging a Future of Work mindset and reorganization as the vehicle, don't settle for just process change or realigning positions. Expect a fully developed organizational design, implementation plan, and adoption strategy that produces the following outcomes: flexibility to adapt to unknowns, flow to proliferate workforce learnings, and focus to center the organization on what matters most.

Organizational design

When embarking on a reorganization, your reorg team should propose an organizational design that captures the new operating model and organizational structure. An operating model is simply a visual representation of the operations. The model should provide you with a clear view of how your organization will deliver value. Value creation is reflected in an operating model through guiding, core, and enabling activities. Guiding activities are transformational in nature and guide the organization toward creating value; think strategic planning and quarterly business reviews. Core activities are transactional in nature and focused on value

creation; these are the activities that produce your products or services. Enabling activities provide the support necessary for core activities to create value; think of HR or an IT helpdesk.

An organizational structure defines where to put the "faces" (people) and "spaces" (positions) necessary to execute your operating model. You should view an organizational structure through three lenses; governance, management, and delivery.

Governance involves the faces and spaces necessary to guide the organization toward achieving its business objectives; the focus is defining value for the organization and guiding operations.

Management captures the spaces and faces responsible for developing the tactics and overseeing operations necessary to create value.

Delivery involves the faces and spaces on the front lines creating value for your organization.

When reorganizing with Future of Work in mind, consider organizational breadth and depth; how many functions are necessary to achieve the organization's mission (focus)? Additionally, how many layers are necessary to effectively govern, manage, and deliver value (flexibility)?

Consider the degree of formalization; where will the structure and operating model reside on the spectrum of prescriptive versus autonomous (flow)? Define the level of collaboration versus compartmentalization; will you organize and operate around functions as opposed to products or services (focus)? Lastly, assess the level of uncertainty you expect after the reorganization and decide whether it is appropriate to centralize or decentralize decision-making to manage risk (flexibility).

Applying a Future of Work mindset to a reorganization means your new operating model and organizational structure will drive flexibility through institutionalized

continuous improvement and change management. To maintain an optimal flow of organizational learnings, collaboration between core and enabling activities, as well as delivery and management levels will become the norm. Focus on well-defined guiding activities and governance will inspire your organization to rally around what matters most to the enterprise. If your reorganization will enable flexibility, unlock flow, and deliver focus, you are probably ready to adopt a new organizational design.

Adopting a new organizational design

Embracing a reorganization reminds me of the old adage, "if it ain't broke, don't fix it." Gaining stakeholder support is just as important as designing the reorg. Stakeholders need to see the value of embracing something new, so challenge your reorg team to emphasize the value of the reorg and prioritize bringing stakeholders along on the journey.

» Are communication tools in place?

» Do you have executive sponsorship and support?

» Have you created a safe environment for change with candid feedback loops?

» Are training and development tools in place?

» Does your adoption strategy foster a sense of belonging and common purpose?

» Does your implementation plan account for organizational or functional maturity?

Encourage your organizational leaders to take a Future of Work view when reorganizing; think beyond positions and processes. Consider whether your organizational design and adoption approach will achieve flexibility, flow, and focus.